GOVERNMENT OF INDIA
SMALL SCALE INDUSTRIES AND RURAL AND AGRO INDUSTR
LOK SABHA

UNSTARRED QUESTION NO:2653
ANSWERED ON:14.03.2001
FINANCIAL CRISIS IN SSIS
HANNAN MOLLAH

Will the Minister of SMALL SCALE INDUSTRIES AND RURAL AND AGRO INDUSTR be pleased to state:

(a) whether the Small Scale Industries are facing financial crunch;

(b) if so, details thereof and the reasons therefor; and

(c) the steps being taken by the Government to remedy the situation?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF SMALL SCALE INDUSTRIES AND AGF RURAL INDUSTRIES (SMT. VASUNDHARA RAJE)

(a) & (b): No, Sir. The outstanding credit to SSI sector from Public Sector Banks, Private Sector Banks and Foreign Banks has increased considerably from Rs. 29,152 crores at the end of March, 1995 to Rs. 55,973 crores at the end of March, 2000.

(c): Government has taken a number of steps to improve credit flow to the SSI and to strengthen it. These inter alia, include simplified procedures for sanction of working capital loans dispensing with collateral for loans upto Rs. 5 lakhs, formulation of a Credit Guarantee Scheme, enhancement of the composite loan limit to Rs. 25 lakhs and enhancement of project cost upto Rs. 50 lakhs under the National Equity Fund Scheme.